

Message Text

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41/47

ACTION IO-11

INFO OCT-01 ARA-06 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 AID-05 EB-07 OIC-02 OMB-01 TRSE-00 ABF-01

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R 081323Z MAR 76

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC 7912

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C O R R E C T E D C O P Y (TEXT PARAS 1 AND 2)

E.O. 11652: N/A

TAGS: UNDP, EAID, BF

SUBJ: IMPACT OF UNDP CUTBACKS ON THE BAHAMAS

REF: STATE 38843

1. MINEXTAFF REPORTS THAT BAHAMAS FACES ALMOST IMMEDIATE TERMINATION OF ALL MAJOR UNDP PROGRAMS. GCOB WAS INFORMED WEEK OF FEBRUARY 16 THAT DOLS 400,000 ALLOTTED FOR 1976 WOULD BE CONSIDERED SPENT AS CONTRACTS EXPIRE AND ONE EXPIRES IN MARCH AND SEVERAL OTHERS BY JUNE. TWO EXAMPLES OF PROGRAMS WHICH WILL BE LOST ARE:

2. FISHERIES PROGRAM: DOLS 380,000 HAS BEEN SPENT IN LAST THREE YEARS WITH DOLS 700,000 PROGRAMED FOR NEXT THREE YEARS. FISHERIES EXPERT WHO HAS BEEN ON PROJECT SINCE BEGINNING WILL NOW HAVE TO LEAVE PROJECT IN MARCH WHEN HIS CONTRACT ENDS. GCOB HAS PLACED HIGH PRIORITY ON THIS PROJECT AND HAS USED RESOURCES OF ITS OWN TO TIE IN WITH UNDP WORK. IT DESPERATELY WANTS TO KEEP EXPERT ON BUT HAS NO FUNDS AVAILABLE.

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3. HOSPITAL ADMINISTRATION: A PROGRAM PROVIDING MUCH NEEDED EXPERTISE TO UP-GRADE MEDICAL SERVICES THROUGHOUT THE BAHAMAS WILL BE ENDED IN JUNE. DOLS 110,000 HAS BEEN SPENT TO DATE BUT MAIN IMPACT OF PROGRAM WAS TO COME IN 1976 WITH DOLS 400,000 ALLOTTED TO PROVIDE ADDITIONAL EXPERTS.

4. IN DECEMBER OF 1975 GCOB CUT BACK PROGRAMS BY 20 PER CENT BECAUSE OF UNDP FINANCIAL SITUATION (BAHAMAS HAD DOLS 2.5 MILLION PROGRAM FOR 1972-1975; DOLS 3.5 MILLION WAS INITIALLY PROMISED FOR 1976-1979 - THIS WAS CUT BACK THROUGH A SERIES OF CUTS TO DOLS 2.1 MILLION. THERE IS NOW NO INDICATION OF HOW MUCH THE BAHAMAS CAN EXPECT IN THE FUTURE BEYOND THE DOLS 400,000 FOR 1976). MINEXTAFF BELIEVES THAT EVEN WITH PREVIOUS CUT BACKS SOME USEFULNESS COULD HAVE BEEN DERIVED FROM THE PROGRAMS. CERTAINLY, HOWEVER, THEY WOULD BE OF LESS UTILITY AS ADDITIONAL EXPERTS WOULD NO LONGER BE MAKING NEEDED IN-PUTS. ACCORDING TO MINEXTAFF LATEST ACTION BY UNDP MEANS ALL PROGRAMS WILL BE EFFECTIVELY TERMINATED AND THAT MONIES SPENT AND RESEARCH ACCOMPLISHED TO PRESENT WILL IN FACT BE FORFEITED WITHOUT ADDITIONAL PROGRAMED IN-PUTS.

5. EMBASSY COMMENT: GCOB BELIEVES THAT THE TERMINATION OF UNDP PROGRAMS IN THE BAHAMAS WILL HAVE SERIOUS NEGATIVE IMPACT ON ITS DEVELOPMENT GOALS AND THAT THE ABRUPTNESS OF UNDP DECISION DOES NOT LEAVE SUFFICIENT TIME TO FIND OTHER SOURCES OF FINANCING FOR HIGH PRIORITY PROGRAMS. ALTHOUGH EMBASSY PLANS TO MAKE ITS OWN DETAILED ANALYSIS OF EFFECT UNDP ACTION WILL HAVE ON BAHAMAS OUR INITIAL REACTION IS THAT GCOB CONCERNS ARE WELL-FOUNDED. BECAUSE OF HIGH PER-CAPITA INCOME THE BAHAMAS IS NOT ELIGIBLE FOR MUCH ASSISTANCE USUALLY AVAILABLE TO DEVELOPING COUNTRIES. UNDP HAS BEEN ONE OF MAJOR CONTRIBUTORS TO DEVELOPMENT PROGRAMS ON WHICH GCOB IS HEAVILY RELYING TO PROVIDE EMPLOYMENT AND REDUCE ITS DEPENDENCE ON TOURISM.

6. MINEXTAFF ADDERLEY IS REPORTED TO BE FURIOUS OVER WHAT HE BELIEVES TO BE UNFAIR AND DISCRIMINATORY TREATMENT OF BAHAMAS AND WILL HIMSELF MAKE STRONG PROTEST TO UNDP AND PROBABLY USG. EMBASSY HAS, HOWEVER, POINTED OUT FACT OF USG'S INCREASED UNDP CONTRIBUTION FOR 1976 AS PER REFTEL WITH LIMITED OFFICIAL USE

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MINEXTAFF. ISSUE WILL BE DISCUSSED DURING CABINET MEETING MARCH 9.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL CRISIS, FUND ALLOTMENT, INTERNATIONAL ORGANIZATIONS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 08 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976NASSAU00376
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760091-0061
From: NASSAU
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760384/aaaacwlv.tel
Line Count: 110
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION IO
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 76 STATE 38843
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 12 JUL 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <12 JUL 2004 by saccheem>; APPROVED <13 JUL 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IMPACT OF UNDP CUTBACKS ON THE BAHAMAS
TAGS: EAID, BF, UNDP
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006